

State considers taking over CHIP insurance

By MIKE DENNISON - IR State Bureau - 02/08/06

HELENA — State health officials Tuesday said they'll recommend soon whether the Children's Health Insurance Program should be insured by the state — or left in the hands of a private insurer.

Once that recommendation is in, Gov. Brian Schweitzer will make the final call on how best to handle CHIP, which provides free health insurance for 12,000 kids from middle- and lower-income families.

Joan Miles, director of the state Department of Public Health and Human Services, said the goal is to choose the option that will enable CHIP to insure the maximum number of kids for medical and dental care.

The state also is launching a new advertising push for the program this month, with newspaper advertising and public-service spots on radio and TV featuring the governor and his wife, Nancy.

Nearly 2,000 spots are open in CHIP and another 3,000 are expected to open up in July, when a law takes effect that will shift that many CHIP-covered kids to Medicaid, another government-sponsored insurance program for the needy.

Jackie Forba, chief of the Health Care Resources Bureau and head of the CHIP program for the state, pointed out that families of four earning up to \$30,000 a year — or more, in some circumstances — are now eligible to get their kids covered by CHIP.

"We have a lot of families in this state that \$30,000 is what they're living on, or a lot less," she said.

Forba and Miles spoke Tuesday at a meeting of health insurers, public health advocates, health officials and legislators, who came to the Capitol to discuss the pros and cons of changing the management of CHIP.

CHIP is funded by the state and federal government, which offers a 4-to-1 match of state funds. For fiscal 2005, Montana's program spent about \$18.3 million on the program.

The 2005 Legislature increased funding for CHIP by about \$5 million a year, enough to add up to 3,000 additional kids starting last June.

Since the program's inception in 1999, the state's largest private health insurer — Blue Cross and Blue Shield of Montana — has covered CHIP through an insurance contract with the state. The state pays a per-child premium to Blue Cross, which then pays claims for those covered by the plan and assumes any risk.

In recent years, advocates for low-income families have said the state can "self-insure" CHIP and run the program at lower cost, thus offering insurance to more children who need it.

If the state chooses to insure the program itself, it can be its own administrator of CHIP or hire a third party administrator to pay claims, set up networks of doctors and even promote the program.

About 40 people showed up Tuesday to offer thoughts on which option should be chosen.

Mary Dalton, head of the Health Resources Division in the state health department, said it will examine comments from Tuesday, other public comment and its own research before making a CHIP recommendation.

The recommendation may be made later this month or sometime in March, she said.

State officials plan to survey other states that self-insure their CHIP program, as well as states that buy private insurance like Montana's current program, she said.

Rep. Mary Caferro, D-Helena, who has been pushing for the state to insure the program, said Tuesday she still feels it's the best way to keep program costs down and insure the most children with the money.